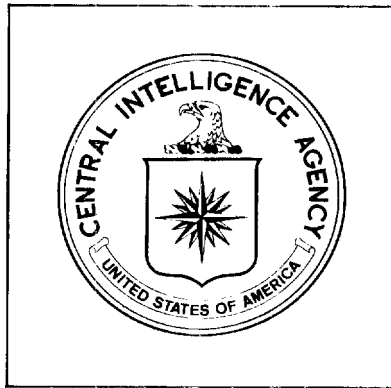


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WESTERN EUROPE — CANADA — INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Italian Socialists Take More Cautious Line

The Italian Socialist Party has been trying to pave the way for its return to the governing coalition in a strengthened position vis a vis the dominant Christian Democrats. The latest meeting of the Socialist leadership, however, underlines the party's frustrations over its reduced options in the face of preparations for nationwide local elections this June.

The Socialists have held cabinet posts in most Italian governments since 1963, but they are currently limiting their role to providing parliamentary support for Aldo Moro's two-party coalition. Late last year, Socialist Party chief De Martino made it clear that he opposed Moro's goal of eventually bringing the Christian Democrats, Socialists, Social Democrats, and Republicans together again in another center-left coalition if, as in the past, the Christian Democrats continued to hold a dominant position.

De Martino argued that the Socialists should be given preferential treatment and that the other two parties should, at best, have marginal roles. This assertiveness resulted mainly from Socialist successes in the divorce referendum, scattered local elections, and from opinion polls suggesting further gains for the left in the coming local elections.

At the recent leadership meeting, however, De Martino adopted a more moderate line. He soft-pedaled his call for preferential treatment and made it clear that he intended to subordinate such tactical questions to electoral preparations. Despite a lack of enthusiasm for this policy, the more radical elements of the party fell in behind De Martino.

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Several factors account for the more cautious Socialist stance. Christian Democratic leader Fanfani, supported by a large majority of his party, flatly rejected the Socialist bid and is making this a key element in the Christian Democratic electoral campaign. Fanfani characterized the Socialist demand as a presumptuous claim to governmental influence in excess of the party's electoral base; the Socialists received about 10 percent of the vote in the last parliamentary race compared to 38 percent for the Christian Democrats.

Even more worrisome to the Socialists is the renewed attention being given to the Communist Party's campaign for a direct voice in national policymaking. The Socialists seem to have belatedly realized that their own role would be diminished if the Communists succeed. Although Fanfani recently rebuffed the Communists again, a number of local Christian Democratic organizations--annoyed by the aggressiveness of the Socialists--have begun limited collaboration with the Communists. The Socialists probably fear that this phenomenon might spread and, eventually, be repeated at the national level. (Confidential)

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Liechtenstein Versus the Council of Europe

This tiny--65 square mile--principality nestled between Switzerland and Austria wants full membership in the Council of Europe. Landestag (parliament) President Gerard Batlinger recently led a three-man delegation to Strasbourg where they participated in a week long session of the Parliamentary Assembly of the Council of Europe as official observers. Apparently they enjoyed their role and see further international exposure as a means of promoting their small-scale light industry.

At least one member of the organization, France, is opposed to Liechtenstein's joining the group. Paris is reluctant to admit the mini-state lest the door be opened to Monaco and perhaps even Andorra and San Marino. Liechtenstein's membership is particularly onerous to France because it would increase the number of German-speaking members. Another member, Austria, has pledged to help Liechtenstein "work out an arrangement" for participation in the Council. The Swiss handle the conduct of the principality's foreign affairs in some multilateral organizations, and this may prove to be an acceptable solution to the current dilemma. (Confidential)

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EC-Portuguese Relations Developing Slowly

EC Commissioner Christopher Soames' official visit to Lisbon last week served to demonstrate EC interest in Portuguese developments and marked further slow progress in working out an EC program to help Portugal.

Lisbon was slightly more specific in requests for EC help than on previous occasions, although the "really concrete proposals" sought by the EC's specialist on Portugal have not yet emerged. On the industrial and financial side, the Portuguese hope the EC will lend help to projects for the development of Portugal's infrastructure, particularly through guaranteeing investments. In the commercial area, the Portuguese raised the issue of import quotas on EC products in order to protect Portuguese infant industries, but improved access for Portuguese exports continues to be their primary object.

Just before Soames' arrival, Lisbon finally passed legislation to set up a group within the government to provide continuity in dealing with the EC. Soames' deputy commented that, even with the new group, no firm agreements are likely prior to the Portuguese elections in April. He felt that EC assistance would probably win more notice, in any case, in a post-election atmosphere. Other West European leaders have advocated some form of support to Portugal in the period before the elections as a way of strengthening the moderates.
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Defense Facilities Provoke Controversy in Norway

The Norwegian government is worried about accusations in the press and from the left wing parties that Norway's US-funded Loran C and Omega land-based navigational systems are being used to provide targeting data to US nuclear submarines.

Members of Norway's ruling Labor Party are worried that the controversy may develop into a nationwide debate on Norway's role in NATO that would strengthen residual neutralist and nationalist sentiment. They are particularly nervous because of the municipal elections that will be held this year and the possibility that the leftist opposition will force the government to concede that cooperation with NATO is more extensive than is generally believed.

In order to head off a move by parliament to establish a committee to look into the matter, Defense Minister Fostervoll plans to name a three-man committee to investigate the charges. Fostervoll apparently feels that a parliamentary committee might overstep its authority and look into other matters affecting national security.

The government has so far maintained that the controversial systems are not used for targeting, but are designed for navigational safety and are available to any vessel of any nationality. The government may have some difficulty explaining why the original agreements setting up the systems were highly classified and why parliament was not consulted.

Government critics claim that the Loran C and Omega systems are a violation of Norway's policy not to allow foreign bases or offensive weapons on its soil directed against the Soviet Union. (Confidential No Foreign Dissem)

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